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Department of Budget and Fiscal Services

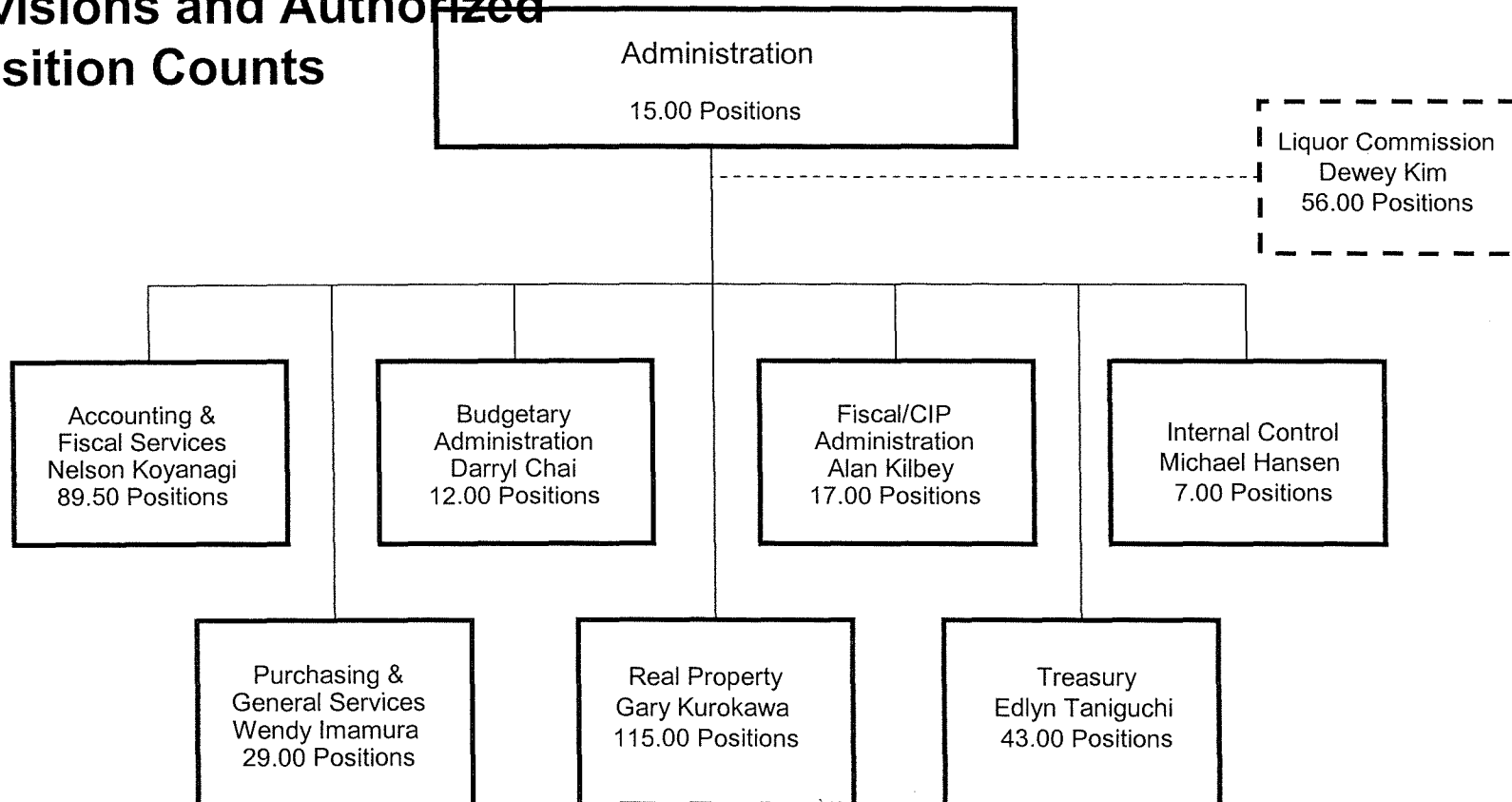
Budget Presentation

March 19, 2010

FY 2011 Operating Budget

Department of Budget and Fiscal Services

Divisions and Authorized Position Counts



Department Structure

- Administration
- Accounting and Fiscal Services
- Internal Control
- Purchasing and General Services
- Treasury
- Real Property Assessment
- Budgetary Administration
- Fiscal/CIP Administration
- Honolulu Liquor Commission (Attached agency)

FY 2011 Operating Budget

Department of Budget and Fiscal Services

BFS EXCLUDING LIQUOR COMMISSION

	FY 2010	FY 2011	\$ Change	% Change
Salaries	\$ 16,673,396	\$ 14,821,076	\$ (1,852,320)	(11.1%)
Current Expenses	2,828,170	2,614,061	(214,109)	(7.6%)
Equipment				
Total	\$ 19,501,566	\$ 17,435,137	\$ (2,066,429)	(10.6%)

LIQUOR COMMISSION

	FY 2010	FY 2011	\$ Change	% Change
Salaries	\$ 2,416,821	\$ 2,205,084	\$ (211,737)	(8.8%)
Current Expenses	1,265,770	1,255,837	(9,933)	(0.8%)
Equipment	400,000	0	(400,000)	(100.0%)
Total	\$ 4,082,591	\$ 3,460,921	\$ (621,670)	(15.2%)

TOTAL

	FY 2010	FY 2011	\$ Change	% Change
Salaries	\$ 19,090,217	\$ 17,026,160	\$ (2,064,057)	(10.8%)
Current Expenses	4,093,940	3,869,898	(224,042)	(5.5%)
Equipment	400,000	0	(400,000)	(100.0%)
Total	\$ 23,584,157	\$ 20,896,058	\$ (2,688,099)	(11.4%)

FY 2011 Operating Budget

Department of Budget and Fiscal Services

Administration

	FY 2010	FY 2011	\$ Change	% Change
Salaries	\$ 935,296	879,802	\$ (55,494)	(5.9%)
Current Expense	73,136	54,275	(18,861)	(25.8%)
Equipment	0	0	0	-
Total	\$ 1,008,432	\$ 934,077	(74,355)	(7.4%)

- Salaries are adjusted for furloughs and salary reductions (Director, Deputy and Excluded Managerial 5% salary cut and HGEA members two furlough days per month - \$55,433)
- Risk Management rental of office space is \$28,000
- Not required to have \$20,000 in Current Expenses this FY for OPEB actuarial study
- Funded vacancies: 0
- Unfunded vacancies: 2

FY 2011 Operating Budget

Department of Budget and Fiscal Services

Accounting and Fiscal Services

	FY 2010	FY 2011	\$ Change	% Change
Salaries	\$ 4,503,617	\$ 4,107,350	\$ (396,267)	(8.8%)
Current Expenses	203,394	\$203,274	(120)	(0.1%)
Equipment	0	0	0	-
Total	\$ 4,707,011	\$ 4,310,624	\$ (396,387)	(8.4%)

- Salaries are adjusted for furloughs and salary reductions
(Excluded Managerial 5% salary cut and HGEA members two furlough days per month - \$374,533)
- Funded vacancies: 5
- Unfunded vacancies: 9

FY 2011 Operating Budget

Department of Budget and Fiscal Services

Internal Control

	FY 2010	FY 2011	\$ Change	% Change
Salaries	\$ 478,720	439,200	\$ (39,520)	(8.3%)
Current Expenses	373,702	295,582	(78,120)	(20.9%)
Equipment	0	0	0	-
Total	\$ 852,422	\$ 734,782	\$(117,640)	(13.8%)

- Salaries are adjusted for furloughs and salary reductions (Excluded Managerial 5% salary cut and HGEA members two furlough days per month - \$39,512)
- Current Expenses decreased due to necessary restrictions with the bulk being a reduction in Project Management Office projects
- Funded vacancies: 0
- Unfunded vacancies: 0

FY 2011 Operating Budget

Department of Budget and Fiscal Services

Purchasing and General Services

	FY 2010	FY 2011	\$ Change	% Change
Salaries	\$ 1,579,498	\$ 1,409,363	\$ (170,135)	(10.8%)
Current Expenses	78,696	87,696	9,000	11.4%
Equipment	0	0	0	-
Total	\$ 1,658,194	\$ 1,497,059	\$ (161,135)	(9.7%)

- Salaries are adjusted for furloughs and salary reductions (Excluded Managerial 5% salary cut and HGEA members two furlough days per month - \$139,392)
- Current Expenses include necessary in-house training
- Funded vacancies: 2
- Unfunded vacancies: 3

FY 2011 Operating Budget

Department of Budget and Fiscal Services

Treasury

	FY 2010	FY 2011	\$ Change	% Change
Salaries	\$ 1,819,791	\$ 1,598,732	\$ (221,059)	(12.1%)
Current Expenses	844,000	791,744	(52,256)	(6.2%)
Equipment	0	0	0	-
Total	\$ 2,663,791	\$ 2,390,476	\$ (273,315)	(10.3%)

- Salaries are adjusted for furloughs and salary reductions (Excluded Managerial 5% salary cut and HGEA members two furlough days per month - \$142,543)
- Current Expenses decrease due to necessary restrictions (\$23,256 – Computer Software Maintenance Agreement)
- Funded vacancies: 4
- Unfunded vacancies: 4

FY 2011 Operating Budget

Department of Budget and Fiscal Services

Real Property

	FY 2010	FY 2011	\$ Change	% Change
Salaries	\$ 5,370,124	\$ 4,579,162	\$ (790,962)	(14.7%)
Current Expenses	878,512	817,370	(61,142)	(7.0%)
Equipment	0	0	0	0
Total	\$ 6,248,636	\$ 5,396,532	\$ (852,104)	(13.6%)

- Salaries are adjusted for furloughs and salary reductions (Excluded Managerial 5% salary cut and HGEA members two furlough days per month - \$427,007)
- Current Expenses decrease due to necessary restrictions (\$73,077 for consultant services and parking fees)
- Funded vacancies: 12
- Unfunded vacancies: 12

FY 2011 Operating Budget

Department of Budget and Fiscal Services

Budgetary Administration

	FY 2010	FY 2011	\$ Change	% Change
Salaries	\$ 884,110	\$ 816,258	(67,852)	(7.7%)
Current Expenses	13,150	12,150	(1,000)	(7.6%)
Equipment	0	0	0	-
Total	\$ 897,260	\$ 828,408	\$ (68,852)	(7.7%)

- Salaries are adjusted for furloughs and salary reductions (Excluded Managerial 5% salary cut and HGEA members two furlough days per month - \$66,320)
- Current Expenses decrease due to necessary restrictions (\$1,000 for fees for memberships/registrations and Auto allowance)
- Funded vacancies: 0
- Unfunded vacancies: 0

FY 2011 Operating Budget

Department of Budget and Fiscal Services

Fiscal/CIP Administration

	FY 2010	FY 2011	\$ Change	% Change
Salaries	\$ 1,102,240	\$ 991,209	\$ (111,031)	(10.1%)
Current Expense	363,580	351,970	(11,610)	(3.2%)
Equipment	0	0	0	-
Total	\$ 1,465,820	\$ 1,343,179	\$ (122,641)	(8.4%)

- Salaries are adjusted for furloughs and salary reductions (Excluded Managerial 5% salary cut and HGEA members two furlough days per month - \$66,511)
- Funded vacancies: 3 (Two are federally funded positions)
- Unfunded vacancies: 0

Department Cost Savings/Highlights

- Project Management Office managed implementation of Maximo software for real property management, including Citywide standards for future use. Developed telecommunication leasing program models and templates for contracts; established accounts receivables system; drafted administrative rules. Funded DTS/DFM efforts to install additional parking meters.
- Accounting Division worked with DHR and DIT to implement a new HR/Payroll system that went live in February 2010.
- Internal Control's credit card program update saved fees for water and sewer of \$10,000 per month. A review of Public Service Company tax revenue resulted in recovery of approximately \$13 million dollars and generated FY2010 incremental revenue of \$300,000 per month.

BFS Cost Savings/Highlights Continued

- Purchasing Division: Developed a Design Build Solicitations; Quality Control program through Performance Based contracting and QC self reporting; Standard specifications/processes; Developed a Citywide real property database; Focus on liquidation of surplus property (personal and real); Automated use of contract templates and review of standard T&C's; VSS to be used for online solicitation and bidding; using Property Asset Management System with Maximo software.
- Treasury's County Tax Credit program continues to help qualified taxpayers.
- City refunded general obligation bonds for savings of \$20 million (a present value savings of 7.13%).
- Wastewater revenue bond refunding for savings of \$13.5 million (a present value savings of 8.31%).

BFS Cost Savings/Highlights Continued

- The Build America Bonds (BABs) and Recovery Zone Economic Development Bonds (RZEDBs) are taxable bonds eligible for 35% and 45%, respectively, debt service reimbursement from Federal Government.
- Wastewater saved an estimated \$6.4 million in interest payments and general obligations bonds saved an estimated \$2.9 million by issuing BABs and RZEDBs.
- The City issued bonds to finance a portion of the H-Power expansion in 2009 and plans to issue the balance in 2010. The exemption from Alternative Minimum Tax made the bonds more attractive to potential buyers, thereby providing a lower cost of borrowing that saved the City \$70 million in interest payments over the life of the bonds.

Questions

Mahalo!